

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 12101 062255Z

15 S

ACTION ABF-01

INFO OCT-01 ARA-06 ISO-00 A-01 SS-15 EB-07 RSC-01 /032 W

----- 112683

R 062158Z DEC 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 6875

INFO AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY MEXICO

AMEMBASSY SANTIAGO

LIMITED OFFICIAL USE CARACAS 12101

EO 11652 A

TAGS: AFSP ETRD VE

SUBJ: GAO AUDIT VE: US TRADE POLICY TOWARDS LDCS

REF: A STATE 236243 B CARACAS 10431

1. GAO AUDITORS NICOLAS CARBONE, JOSEPH VEIGA, AND THEODORE ALVES ARRIVED INVENEZUELAN NOV 27 FROM LIMA. AFTER SPENDING ONE WORKING DAY INTERVIEWING EMBASSY OFFICERS, CARBONE DEPARTED FOR BOSTON NOV 30 WHILE VEIGA AND ALVES REMAINED IN VENEZUELA UNTIL DEC 6, WHEN THEY DEPARTED FOR MEXICO. THEY WERE BRIEFED BY THE AMBASSADOR, POLITICAL, ECONOMIC, AND AGRICULTURAL OFFICERS OF EMBASSY, AND HAD INTERVIEWS WITH REPRESENTATIVES OF AMERICAN BANKING, LEGAL, AND INDUSTRIAL COMMUNITY, INCLUDING A VISIT TO VALENCIA WHERE A MAJOR PORTION OF PLANTS OF AMERICAN SUBSIDIARIES ARE LOCATED.

2. WHILE OBTAINING AN OVERVIEW OF THE ECONOMIC SITUATION, WITH EMPHASIS ON AMERICAN INVESTMENT AND TRADE, THEY WERE PARTICULARLY INTERESTED IN THE POTENTIAL EFFECTS OF THE TRADE REFORM ACT ON US ECONOMIC RELATIONSWITH VENEZUELA. IT WAS THE CONSENSUS OF ALL INTERVIEWERFTHAT VENEZUELAN EXCLUSION FROM THE BENEFITS OF THE GENERALIZED SYSTEM OF PREFERENCES COULDHAVE SERIOUS CONSEQUENCES FOR US TRADE AND INVESTMENT HERE, SINCE VENEZUELA COULD BE EXPECTED TO ADOPT SOME TYPE OF RETALIATORY MEASURES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 12101 062255Z

3. THE AUDITORS HAD CONSIDERABLE DISCUSSION ABOUT THE EFFECT ON US INVESTMENT OF VENEZUELA'S ENTRY INTO THE ANDEAN PACT. REACTION BY THE AMERICAN BUSINESS COMMUNITY WAS MIXED. WHILE A LAWYER WHO REPRESENTS MANY AMERICAN CLIENTS FELT THAT AMERICAN FIRMS HAD ADJUSTED TO THE RESTRICTIONS OF DECISION 24, A REPRESENTATIVE OF THE INDUSTRIAL SECTOR INDICATED THAT HE BELIEVES VENEZUELAN STRICT INTERPRETATION OF DECISION 24 IS PART OF AN OVERALL MOVEMENT TO TAKE OVER AMERICAN INVESTMENT.

4. AS PER REFS, APPOINTMENTS WITH GOVT OFFICIALS WERE LIMITED TO DIRECTOR OF COMMERCIAL POLICY OF INSTITUTE OF FOREIGN TRADE AND HE FAILED TO SHOW AT APPOINTED TIME. HE LATER APOLOGIZED AND TRIED TO RESCHEDULE APPOINTMENT; HOWEVER, THIS WAS NOT POSSIBLE DUE TO TEAM'S DEPARTURE FOR MEXICO. OFFICIAL SAID, HOWEVER, THAT MAIN POINT HE WOULD HAVE MADE TO TEAM WAS CONCERN OVER TRADE EXCLUSION OF VENEZUELA FROM GSP.

5. DESPITE FACT THAT TEAM DID NOT HAVE CONTACT WITH VENEZUELAN OFFICIALS, THEY WERE ABLE TO OBTAIN GOOD OVERVIEW OF ECONOMIC SITUATION HERE WHICH THEY OBSERVED TO BE VERY DIFFERENT FROM THE OTHER LATIN COUNTRIES ON THEIR ITINERARY.
MCCLINTOCK

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, ECONOMIC REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA12101
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740356-0038
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741255/aaaabvgj.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ABF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A STATE 236243 B CARACAS 10431
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by boyleja>; APPROVED <13 MAR 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GAO AUDIT VE: US TRADE POLICY TOWARDS LDCS
TAGS: AFSP, ETRD, OTRA, EIND, ECON, VE, US, ANDEAN PACT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005